

Testimony of Patricia McGinnis, President and CEO, The Council for
Excellence in Government

Before

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U.S. House of Representatives

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Mr. Chairman, members of the Committee, thank you for this opportunity to join you today in an assessment of the Government Performance and Results Act on the tenth anniversary of its passage.

The Council for Excellence in Government, whose 20th anniversary will be celebrated later this year, is a non-profit, non-partisan organization of over 700 former government officials dedicated to two goals, which are strongly related: improving the performance of government and improving public trust and participation in government. We firmly believe that the people's trust in government will increase as they see their government working hard to improve the quality of its services and its responsiveness to their concerns. Among GPRA's potential value has always been the opportunities it offers for government agencies to explain what they have achieved compared to their goals, as a tool to design and manage programs

more effectively, and as a way for the American people to hold their government accountable for important results.

It will probably not surprise you to learn that I find that the record of the actual, vs. potential impact of the Act to date is highly mixed. Strategic planning, managing for results and performance measurement is a priority for many in the Executive Branch, as evidenced by the work on the President' Management Agenda. But, unfortunately, there is little evidence that Congress values or uses the performance and results and information in the authorization or funding of programs. The value and use by the public is certainly not robust. I will expand briefly on each of these points, then close with a few recommendations for improvement.

The record to date

The Government Performance and Results Act is simple, straight forward and makes a lot of sense. It sounds good but the measure of its true impact must turn on the quality of its implementation, management and use over time.

GPRA was preceded by many, many Executive Branch initiated, results-focused management initiatives, dating back at least to the Hoover Commission report of 1950, through President Johnson's Program-Planning-Budgeting System, President Nixon's Management by Objectives, President Carter's Zero-Based Budgeting, and President Reagan's Grace Commission, and was accompanied by President Clinton's National Performance Review. Virtually all these efforts shared some common goals with GPRA:

- The focus on results
- Goal setting and performance planning
- Improving government effectiveness and efficiency
- Reporting performance to the public
- Improving resource allocation, program design, and program management decisions
- Increased use of high quality program evaluation.

Implementation of each initiative was flawed in various ways, but more importantly, each was short-lived, limited by the propensity to re-create such initiatives in new forms with each new administration. The important difference for GPRA is its statutory base, offering the possibility of continuity and use by both the Executive Branch and the Congress.

Continuity and persistent effort are central to the likelihood of success for management improvements in an enterprise as complex and diverse as the federal government. In the words of General H.M. Lord, Director of the Bureau of Budget, speaking of the reforms embodied in the Budget and Accounting Act of 1922:

“It must be remembered that the [Act] is not in itself a magic wand that will wave out all the faulty procedures and beckon in the financial millennium. Habits, customs, regulations, laws that the passage of more than a hundred years has built into the very machinery of government cannot be eradicated overnight... it must be a continuing process that will require years of patient, persistent and courageous endeavor.”

Those words could have been said as well of GPRA in 1993.

In ten years GPRA has not achieved its intent or its potential. The slow pace of initial implementation allowed time for change in practice and thinking to develop, which is not a bad thing. But it was not accompanied by strong leadership in the Executive Branch nor, outside this committee and your Senate counterpart, by strong interest in Congress, particularly from authorizing, appropriating, and tax writing committees. Too often, the GPRA process was delegated down the line and was not strategically connected to other dimensions of excellent management, such as budgeting, financial management and human resources.

There have been some important gains in individual agencies in the quality of plans and annual performance reports, and change in some agencies in the way they manage against performance goals.

GPRA is supported and advantaged by the efforts of two non-government groups, the Mercatus Center at George Mason University, and the Association of Government Accountants, who annually assess and report publicly on aspects of the quality of agency performance reports.

Congress's mainstay in this effort, in addition to the work of this Committee and your partner in the Senate, has been the work of the General Accounting Office, which has consistently drawn attention to the quality of the GPRA processes in agencies and the substantive value of plans and reports.

Nevertheless, on a government-wide basis, my impression is that GPRA has not had the big impact its authors hoped for.

The President's Management Agenda

In the summer of 2001, President Bush promulgated his management agenda, featuring "Budget and Performance Integration" as one of five

central elements for government improvement. Inclusion of that element, with its standards and scorecard ratings, gives real government-wide impetus for the first time to the principles of GPRA.

In the Spring of 2002, the Administration followed this with the introduction of the Program Assessment Rating Tool (PART). PART is the systematic aggregation of what is known about individual programs in terms of their goals, measures and results. It is being applied incrementally, reaching 40% of programs with the FY 2005 Budget to be released early next year. Most importantly, PART formats are published annually for all to see and critique.

The PMA and PART are not an overlay to government processes, as were their Executive Branch results-based predecessors. They are meant to change the institutional process for program design and resource allocation decision-making by making the use of performance information central to the process and most importantly, making the information used transparent to and accessible by the Congress and the public. The Administration is implementing PMA and PART through OMB, making the link to the decision-making processes direct and forceful.

Nobody would be so naïve as to assert that all decisions should flow solely from what we know of program performance. However, as these budget and performance initiatives mature, and as they give steadily increasing meaning to GPRA's planning and reporting requirements, I believe we will see a much more robust debate around the merits of decisions as informed by the best possible information on results.

This year for the first time, the Reports Consolidation Act requires agencies to combine financial reports with the annual performance reports required by the Government Performance and Accountability Act. The integration of performance data and financial data across all departments can now, for the first time, begin to present to the public a meaningful picture of what their tax dollars are being spent for, and explain performance and results in an accessible format.

As the owners of government, the American people deserve to receive an understandable accounting, a meaningful annual report, of how their agencies are doing and the return on their investment, in the short term and in the long term. The challenge is to provide often complex information in an easy to use format.

What statutory changes would enhance GPRA goals

The current Administration is taking the key step administratively. It is beginning to show how it applies performance information to its decision-making processes. As importantly, we are increasingly seeing federal agencies changing their internal program management and decision-making processes in similar ways. I don't think you can legislate this – GPRA without this Executive Branch commitment did not make much difference. But you can do a few things to make the process better in the Executive Branch and to enhance the likelihood of Congressional participation.

- Shift the Strategic Plan cycle from every three to every four years to conform to Presidential terms. The plan should be required at the same time the first full budget is released in February of the year following inauguration. No President is likely to fully adopt the plans and commitments of his predecessor, even when of the same party. All agencies should have to produce new Strategic Plans consistent with the new President's policies and budget.
- Require the program goals, measures, and performance data reported in GRPA plans and performance reports to be consistent with those in

the President's Budget, and through conforming House and Senate rules, require each Appropriation Act to specify the goals, measures, and performance data it is based on and to identify the gaps and need for additional information. This would certainly draw attention to goals and measures and data, create a constructive conversation on these issues in the funding process.

- Similarly, require every significant program authorization, tax expenditure provision, and mandatory spending provision to specify the goals and performance measures expected to be used to judge whether statutory purposes are being achieved.

On these last two points, I must caution that you need to focus on outcome goals and measures, not solely on short term process or output measures. While valid in some settings, those short term process and output measures cannot substitute for end results or net impact. This would enhance the public's interest in and use of performance reports to hold government accountable for important results.

- Require every large scale authorization, tax expenditure and mandatory spending provision to include funding for long term

rigorous evaluation of results. I also believe every appropriation act should have to provide an annual amount for such evaluation consistent with an assessment of what the particular program needs. These studies are expensive, complex, and time consuming and often profoundly resisted by program advocates, but they are essential to support a serious commitment to raising the quality of government performance.

- Require the annual integrated GPRA and financial reports to not only list evaluations planned or underway, but to report the status of evaluations for each goal and how evaluation findings are used to assess progress in meeting the goals and change program direction and management.
- Finally, require strategic and annual plans and annual performance reports addressing similar programs in multiple agencies to be developed collaboratively by those agencies, with particular attention to identifying cumulative effect and spotlighting potential overlap and unproductive duplication. Where appropriate, also require the plans and reports to specify how related state and local government, and private and non-profit sector activity are taken into account by these programs.

Conclusion

No law can make anyone plan or manage well or use performance data effectively. No law can make the media or the public pay attention to this information. GPRA is an essential and important framework for effective planning and management, and for the public to figure out what government is doing and how well it is doing it.

GPRA made a good start. The Administration's initiatives have given the GPRA framework new life in the Executive Branch. Hearings like this and the work your committee does during the year can continue to spotlight the issues and draw attention to successes and areas needing improvement.

We at the Council look forward to working with you to develop and implement the changes necessary to realize the potential of GPRA for the designers, managers and funders of federal programs and for the owners – the American People.

Thank you.